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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman
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PAUL NEWMAN
BRENDA BURNS

2011 NOV -9 P 4: 31

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Arizona Corporation Commission

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NOV 9 2011

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IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM WATER DISTRICT AND ITS SUN CITY WATER DISTRICT, AND POSSIBLE RATE CONSOLIDATION FOR ALL OF ARIZONA-AMERICAN WATER COMPANY'S DISTRICTS.

Docket No. W-01303A-09-0343

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM/AGUA FRIA WASTEWATER DISTRICT AND ITS SUN CITY WEST WASTEWATER DISTRICT, AND POSSIBLE RATE CONSOLIDATION FOR ALL OF ARIZONA-AMERICAN WATER COMPANY'S DISTRICTS.

Docket No. SW-01303A-09-0343

**RUSSELL RANCH HOMEOWNERS' ASSOCIATION, INC.'S
NOTICE OF FILING TESTIMONY SUMMARY**

The Russell Ranch Homeowners' Association hereby files the Testimony Summary for its witness, Daniel A. O'Connor.

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**TESTIMONY SUMMARY
OF
DANIEL A. O'CONNOR
NOVEMBER 9, 2011**

Mr. O'Connor's direct testimony established him as a homeowner of Russell Ranch, and also as one of the managing partners of the real estate development company, Russell Ranch LLC. As a managing partner, he was directly involved with the development of the subdivision's infrastructure and custom lots, sale of the custom lots and the erection of the wastewater treatment facility currently operated by Arizona-American Water Company.

Mr. O'Connor testified that during the developmental stages of Phases 1, 2, 3, 4 & 5 of Russell Ranch, a total of approximately 492 homes were planned. Due to the lack of wastewater services in the area, Maricopa County required Russell Ranch LLC to erect a self-contained wastewater treatment facility at a cost of approximately \$1,267,630.00. In addition to the approximate \$900,000.00 value of the 3.1 acres the wastewater treatment facility was located on, the combined expense to Russell Ranch LLC totaled approximately \$2,167,630.00. Per an agreement, (Decision No. 64746), with Citizens Water Service Company, Russell Ranch, LLC was to receive a one-time refund of \$375.00 per-home for the first 148 homes initiating wastewater service. Additionally, Citizens was to assess a non-refundable "Hook-up Fee" in the amount of \$750.00 per home to defer the cost of constructing a regional facility to service the remaining 344 homes and possibly the first 148 homes, or use the funds to expand the existing wastewater facility. Neither the regional facility nor the existing facility expansion was constructed.

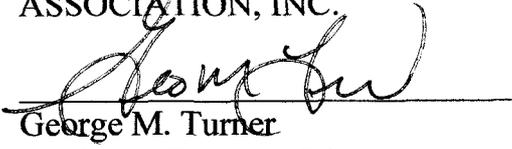
Maricopa County later identified the need for a larger scale sewer service during the planning stages of Russell Ranch Phase 6 and two additional housing developments located west of Russell Ranch. The lack of a regional wastewater facility resulted in the installation of a sewer line running from the Liberty Water wastewater facility westerly along Camelback Road, just south of Russell Ranch.

Currently, only Russell Ranch Phases 1, 2 & 3 were developed with approximately 211 homes being serviced by the wastewater treatment facility and approximately 110 lots remaining undeveloped. Phases 4, 5 & 6 were not developed by Russell Ranch LLC.

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Respectfully submitted on November 9, 2011.

RUSSELL RANCH HOMEOWNERS'
ASSOCIATION, INC.



George M. Turner
President, Board of Directors
Russell Ranch Homeowners' Assoc., Inc.
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CERTIFICATE OF SERVICE

ORIGINAL and 13 copies filed on
November 9, 2011 with:

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